

A modern office interior featuring a bright red curved sofa, small white tables with wooden legs, and red chairs. In the background, there is a white reception desk, a white Christmas tree, and large windows. To the right, a red coffee bar with a coffee machine and shelves is visible. The ceiling has a large circular light fixture.

# **Annual results 31.12.2018**

03.04.2019

# AGENDA

- **2018 highlights**
- Main events in 2018
- Financial performance BGAAP<sup>1</sup>
- Financial performance IFRS<sup>2</sup>
- Solvency II<sup>3</sup>
- Investment portfolio<sup>2</sup>
- Rating
- Appendix

<sup>1</sup> Figures are based on audited Ethias SA statutory accounts. Figures at end 2018 are subject to approval by the shareholders meeting in May 2019.

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# 2018 HIGHLIGHTS

## Key events

- Payment of **268 M€ dividends** to Vitrufin, enabling **Vitrufin** to **reimburse its senior loan** in January 2019
- **Rating** of Ethias SA's Insurer Financial Strength **upgraded from BBB+ to A-** with outlook stable in January 2019
- Closing of the **sale of remaining First A portfolio** in September 2018
- Continuation of our **strategic plan** aiming at reinforcing Ethias positioning as **Nr 1** in **Direct**, in **Digital** and **Leader in the public sector**

## Financial results

- IFRS : **Net income 183 M€** (+16% compared to 2017) ; **Operational result 194 M€**
- BEGAAP : **Net income 170 M€** (+60% compared to 2017) ; **Operational result 177 M€**
- **Solvency ratio : 181%** (183% at end 2017)
- **IFRS Equity : 2,293 M€** compared to 2,475 M€ at end 2017

## Performance Non Life (IFRS)

- **Non Life:**
- Gross written premiums **1,382 M€ (+3.6%)**
- Operational result **167 M€**
- Combined ratio **94.6%**

## Performance Life (IFRS)

- **Life:**
- Gross written premiums **1,302 M€ (+17.7%)**
- Operational result **38 M€**



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## MAIN EVENTS IN 2018

- 20/02/2018 ● **The NBB takes note of the recovery plan** filed by Ethias SA

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- 01/04/2018 ● Structural partnership with **B-Hive**, a European innovation platform (FinTech ecosystem) for financial services, created in early 2017 with the support of the Minister of Finance
- 16/05/2018 ● Approval by the General Assembly of Ethias SA to pay **a dividend of EUR 150 million** regarding the financial year 2017 to Vitrufin
- 12/06/2018 ● Rating for Ethias SA's financial strength placed at **BBB+ with positive outlook** to reflect Fitch's view that *"the likely full repayment of Vitrufin debt and the full disposal of the insurer's capital-intensive individual life portfolio will lead to a strengthening in Ethias's capitalisation, profitability and financial flexibility"*
- 27/06/2018 ● Validation by Ethias SA's Board of Directors of the company's vision and **priority strategic axes**

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- 27/08/2018 ● Decision taken by Ethias SA's Board of Directors to pay **an interim dividend of 118 million EUR** allowing Vitrufin to have the necessary cash for the reimbursement of its senior loan of 278 million EUR in January 2019.
- 27/09/2018 ● **Second affiliate company in the OFP**
- 28/09/2018 ● Closing of the transfer of all rights and obligations resulting from the **"FIRST A" portfolio** to Laguna Life. At that date, the "FIRST A" contracts lose the benefit of protection up to a maximum of EUR 100,000 granted by the Belgian Guarantee Fund. A surrender offer was launched by the new acquirer, valid from the beginning of October to 7 December 2018 (similar conditions to the "Switch VII" surrender action)
- 28/09/2018 ● Following the restructuring of the SRIW group, **transfer of certain assets from FIWAPAC** (including the bonds held in Vitrufin) **to Wespavia**

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- 16/01/2019 ● **Reimbursement by Vitrufin of its senior loan of 278 M€**
- 22/01/2019 ● **Rating** of Ethias SA's Insurer Financial Strength **upgraded from BBB+ to A-** with outlook stable

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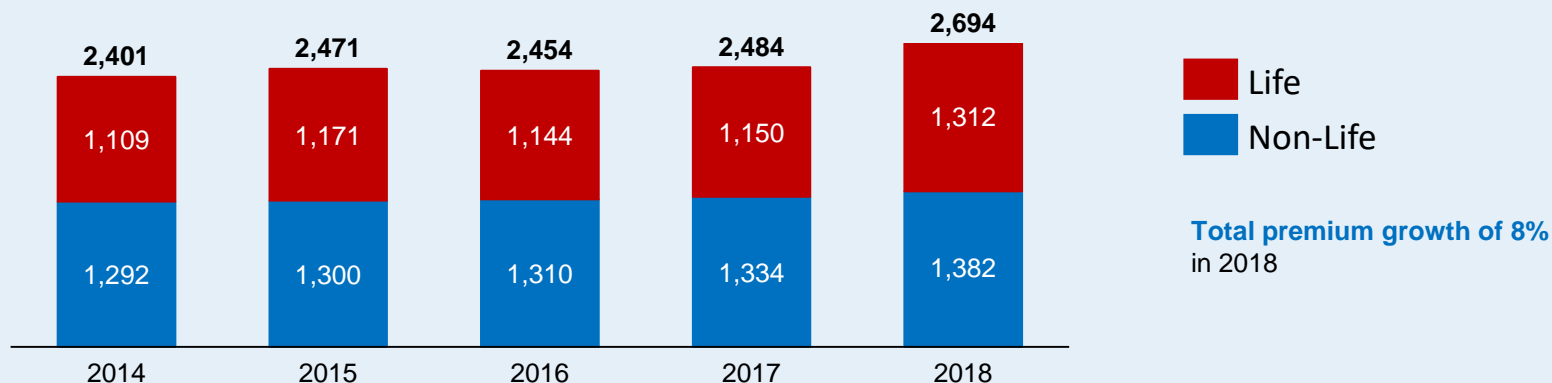
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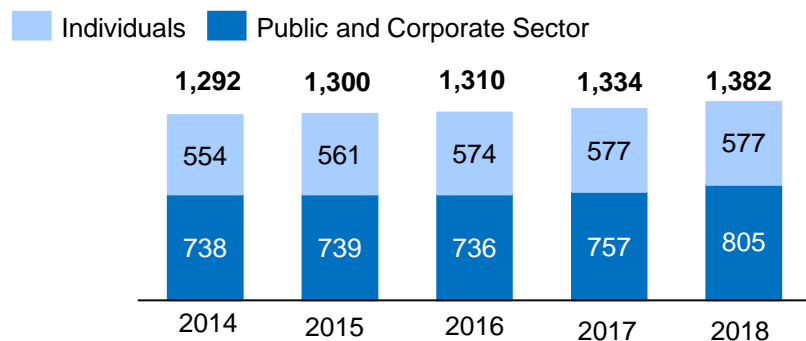
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# EVOLUTION OF NON-LIFE AND LIFE PREMIUMS

Evolution of GWP (M€)

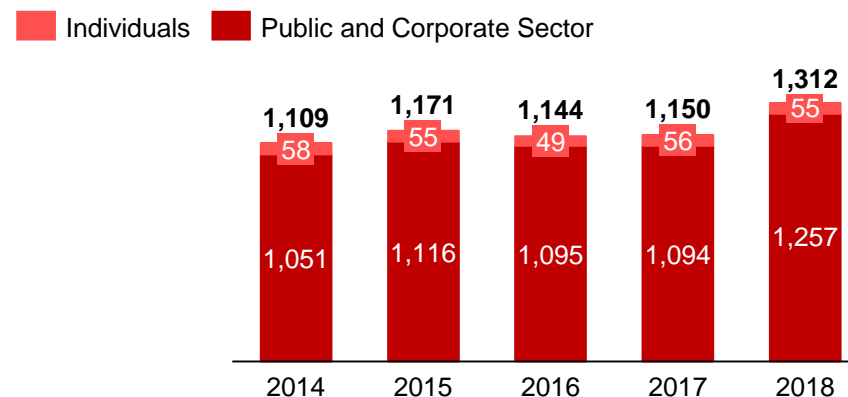


Evolution of Non-Life GWP (M€)



- **Increase** of non-Life premiums **by 3.6%** in 2018
- Premium increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- Public & Corporate : higher premiums from brokerage channel
- Retail : decreasing premiums in Car offset by other products

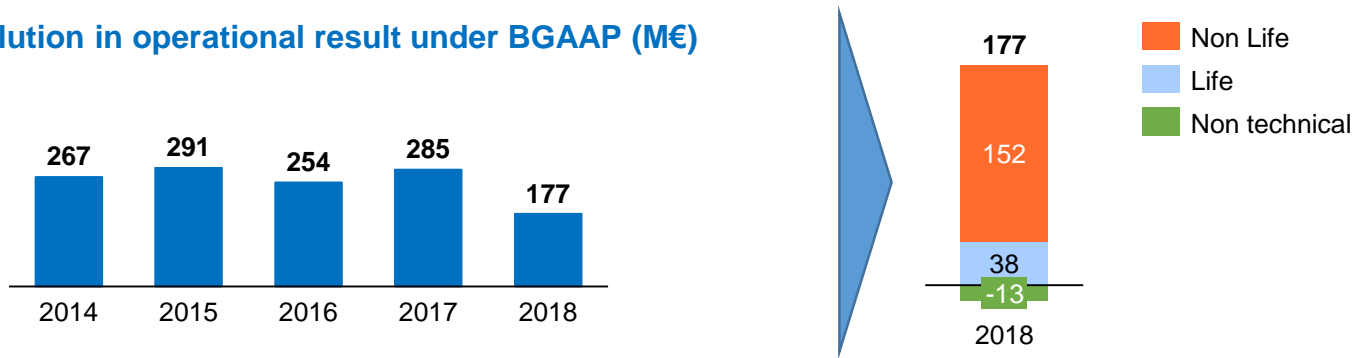
Evolution of Life GWP (M€)



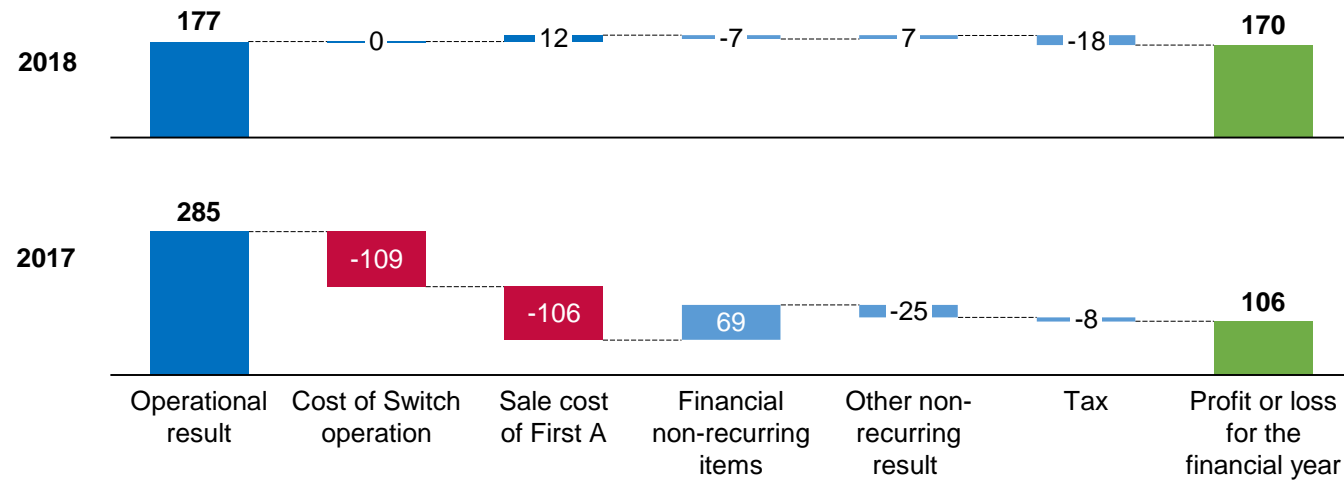
- **Strong increase** of life premiums in 2018 : **+14.1%**
- Evolution driven by the public sector (first pillar), due to higher single premiums
- This was partially compensated by a decrease in second pillar after the transfer of Ethias' own employee benefits reserves into Ethias Pension Fund in 2017.
- Still no new business in savings products in Life Retail

# EVOLUTION IN OPERATIONAL RESULT

## Evolution in operational result under BGAAP (M€)



## From the operational result to net result under BGAAP\* (M€)

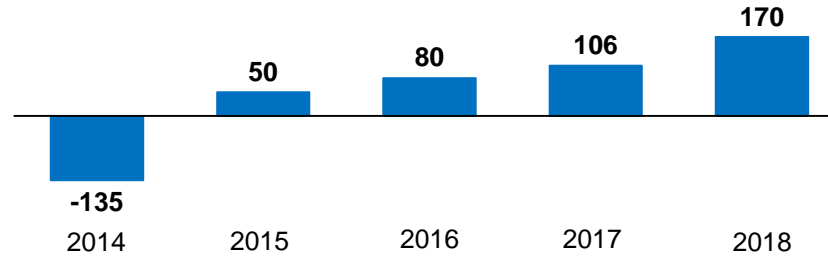


- The **operational result** amounts to **177 M€** in 2018
  - The main contribution still comes from the **Non-Life** activity for **152 M€**
  - while the **Life** activity accounts for **38 M€**.
- The operational result decreases in 2018, but the non life operational result in 2017 was boosted by low claims in non life as well as a release on previous years' reserve.
- The **evolution of the operational result in non life (from 228 M€ to 152 M€)** is further explained by the following factors :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of climate events for €14M (not significant in 2017)
  - Lower reserve release on prior years
 An action plan has been put in place to improve the Non-Life operational result.
- The **life operational result** decreased (from 75 M€ to 38 M€) due to :
  - The continuous pressure due to the low interest rate environment
  - Higher claims in illness and disability
  - A lower life margin consecutive to transfers from branch 21 to branch 23
- **Operating costs are under control** despite large IT investments (digitalization and new Non-Life platform, still ongoing).
- The **non recurring results** include
  - Capital gains on real estate and bonds
  - Offset by impairment on shares following strongly decreasing equity market in Q4
  - And a downward adjustment of the final sale price of portfolio First A
- The **net result jumps** from 106 M€ **to 170 M€ in 2018**, despite a higher cost of tax (-18 M€ instead of -8 M€). Ethias benefits from tax losses carried forward.
- There has not been any allocation to the flashing-light reserve neither in 2017 nor in 2018 thanks to the successful completion of the exemption criteria.



# EVOLUTION IN NET RESULT

## Evolution in net result under BGAAP (M€)



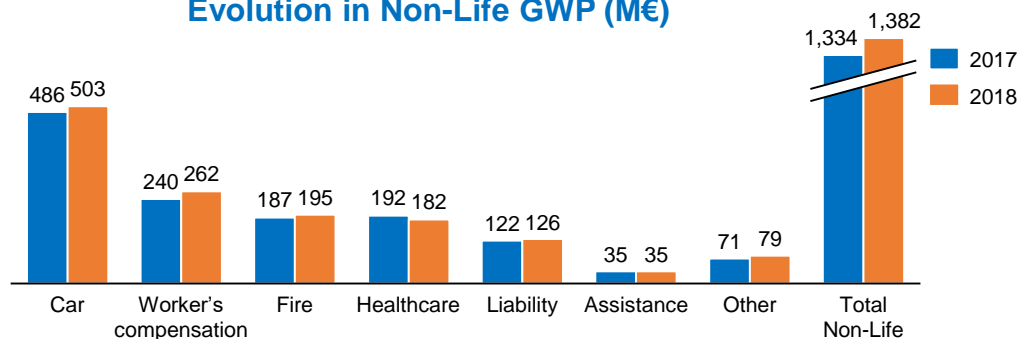
The increase in net result is mainly explained by the closing of the First exit program as from 2018 (without large negative exceptional impact as in 2017)

## Evolution in net result under BGAAP (M€) - Breakdown

|                           | 2014  | 2015  | 2016  | 2017  | 2018  |
|---------------------------|-------|-------|-------|-------|-------|
| Non-Life technical result | 263   | 298   | 255   | 244   | 145   |
| o/w Technical Items       | 330   | 366   | 316   | 363   | 290   |
| o/w Financial revenues    | 133   | 133   | 153   | 125   | 90    |
| o/w Expenses              | (200) | (201) | (214) | (244) | (235) |
| Life technical result     | (28)  | (300) | (320) | 24    | 37    |
| o/w Technical Items       | (594) | (766) | (693) | (373) | (218) |
| o/w Financial revenues    | 600   | 491   | 406   | 435   | 282   |
| o/w Expenses              | (34)  | (25)  | (33)  | (38)  | (27)  |
| Non-technical result      | (366) | 56    | 148   | (158) | 6     |
| Taxes                     | (4)   | (4)   | (3)   | (4)   | (18)  |
| Net result                | (135) | 50    | 80    | 106   | 170   |

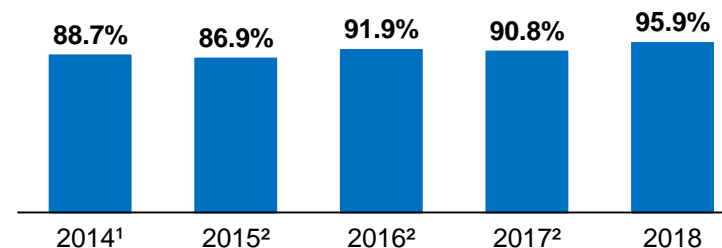
# FOCUS ON NON-LIFE BUSINESS

## Evolution in Non-Life GWP (M€)

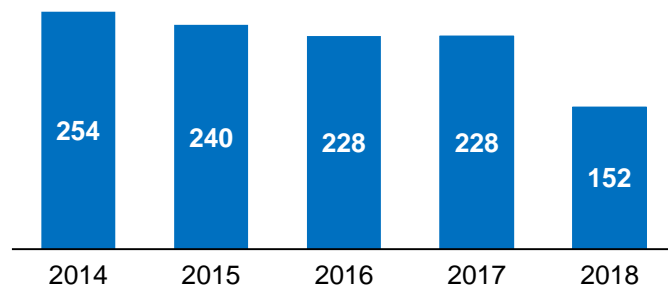


- Premium income increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC (previously reinsured at 95% by Ethias SA) and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- Public & Corporate : higher premiums from brokerage channel
- Retail : decreasing premiums in Car offset by other products

## Net combined ratio (BGAAP)



## Non-Life operational result BGAAP (€M)



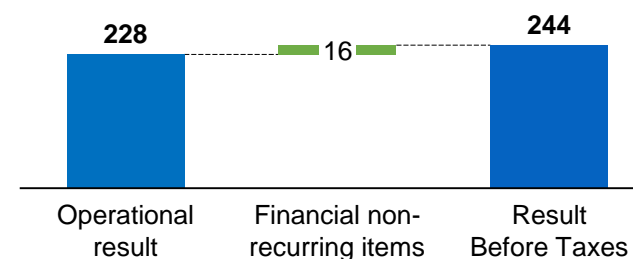
Decrease in operational result compared to 2017 (exceptionally at a very good level) due to :

- Higher claims charge in Car and Worker's Compensation
- Adverse weather impact €14M (was non-significant in 2017)
- Lower reserve releases on prior years

2018



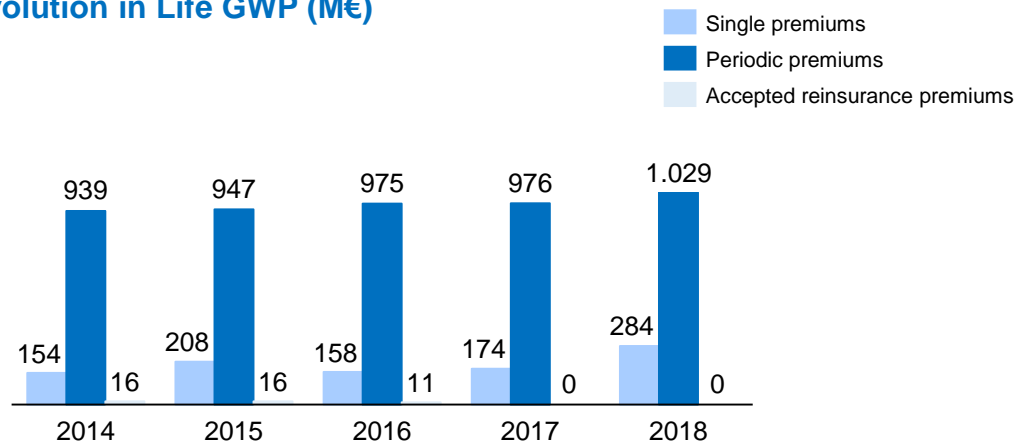
2017



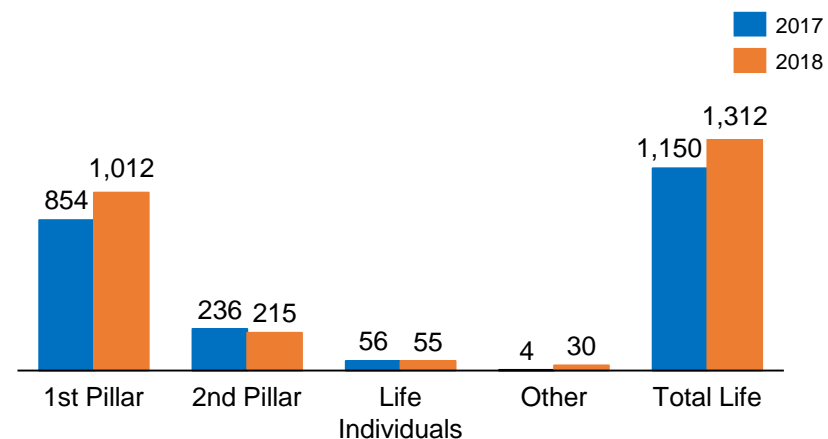
<sup>1</sup> Based on internal calculations ; <sup>2</sup> Based on Assuralia formula

# FOCUS ON LIFE BUSINESS

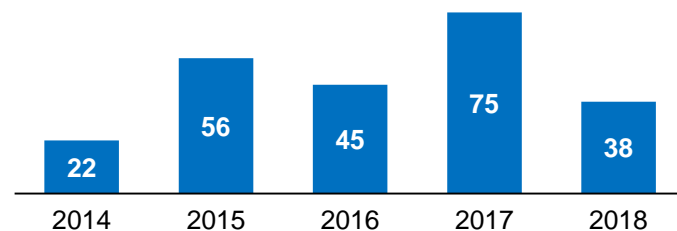
## Evolution in Life GWP (M€)



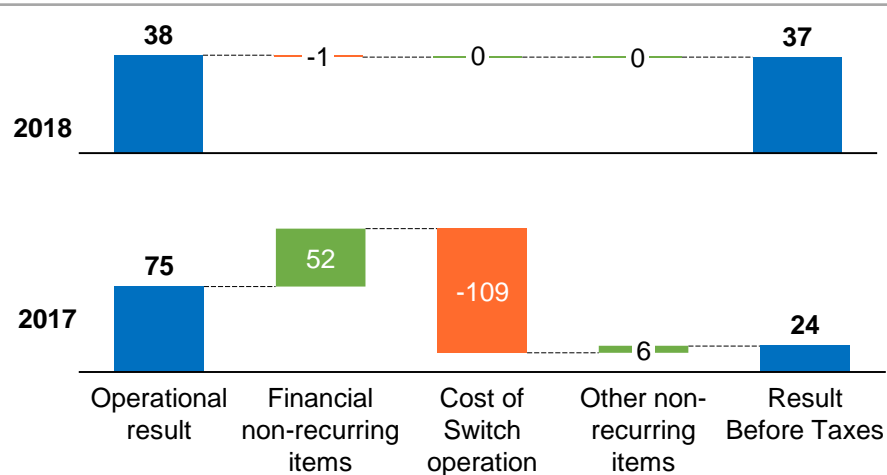
## Evolution in Life GWP (M€)



## Life operational result BGAAP (M€)

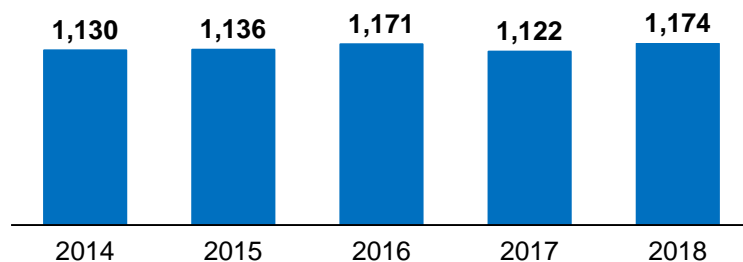


- The **life operational result** decrease is related to :
  - The continuous pressure due to the low interest rate environment
  - Higher claims in illness and disability
  - A lower life margin consecutive to transfers from branch 21 to branch 23



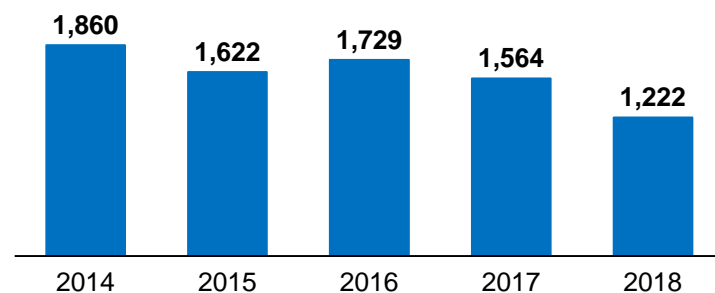
## OTHER KEY ELEMENTS

Evolution in equity (M€)

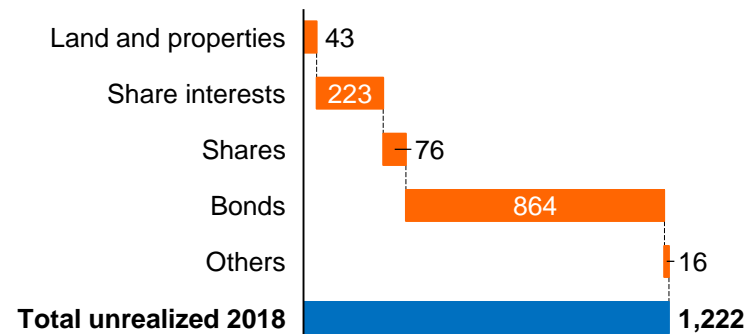


- Own funds increased by 52 M€ in 2018
- The net result of 170 M€ was partially offset by the distribution of an interim dividend of 118.4 M€ based on Q2 2018.

Evolution in unrealized gains on assets (M€)



- Decrease in unrealized gains in 2018 mainly due to the increase in credit spreads
- Decrease in unrealized gains more than compensated by a decrease in liabilities in market value in S2





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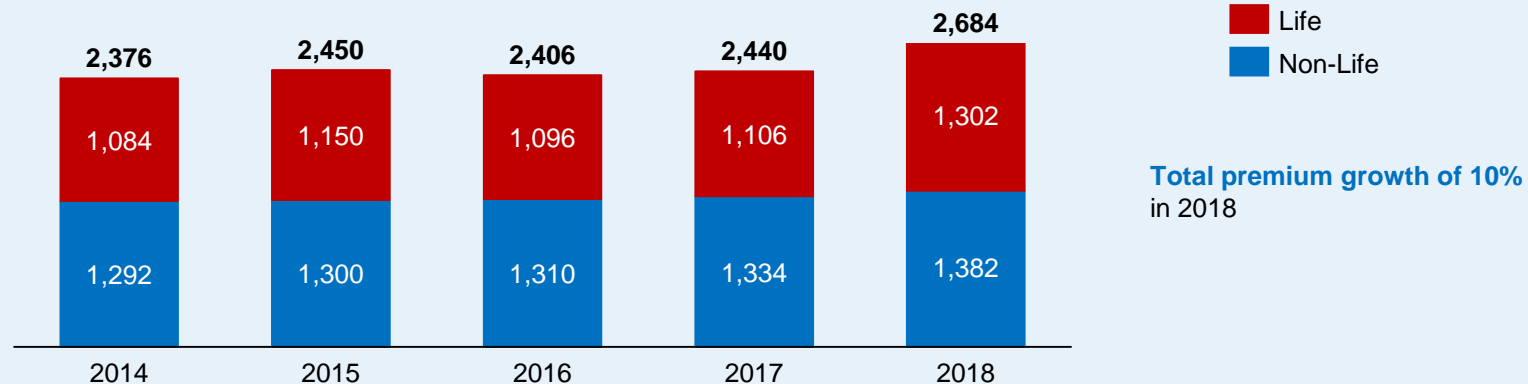
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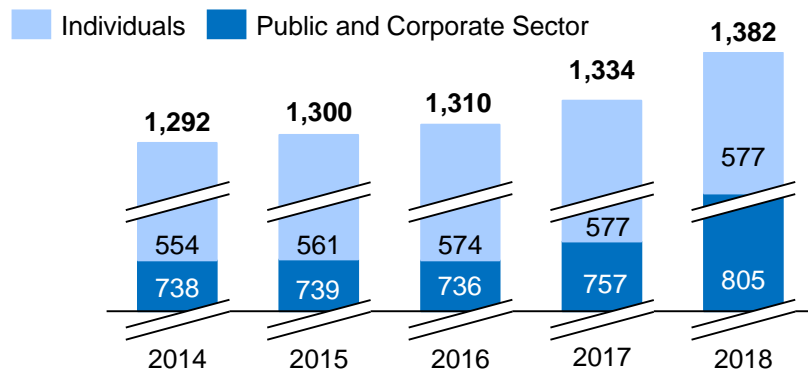
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# EVOLUTION OF NON-LIFE AND LIFE PREMIUMS

Evolution in GWP (M€)

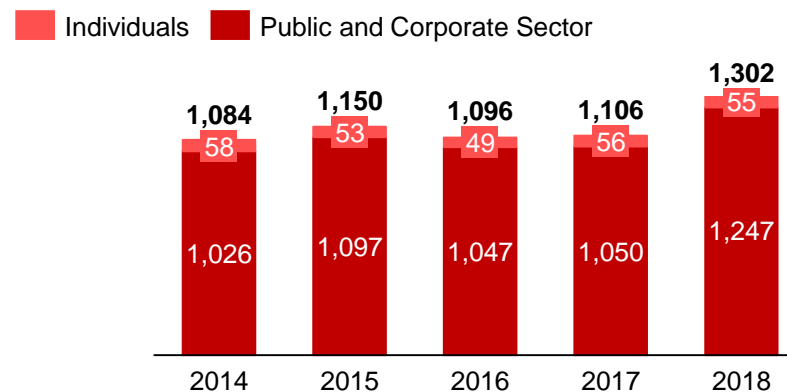


Evolution in Non-Life GWP (M€)



- **Increase** of non-Life premiums **by 3.6%** in 2018
- Premium income increase in Worker's Compensation following the acquisition of the "Worker's Compensation Law 1967" portfolio (public sector) from Ethias DC and increase in the number of new businesses in "Worker's Compensation Law 1971" (corporate sector)
- Public & Corporate : higher premiums from brokerage channel
- Retail : decreasing premiums in Car offset by other products

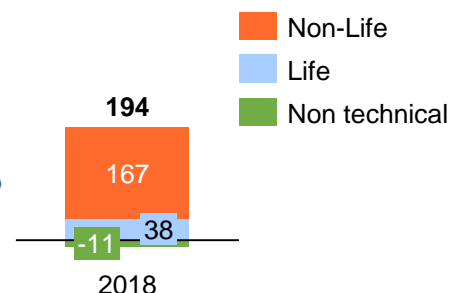
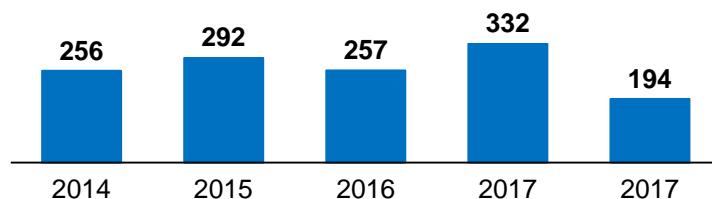
Evolution in Life GWP (M€)



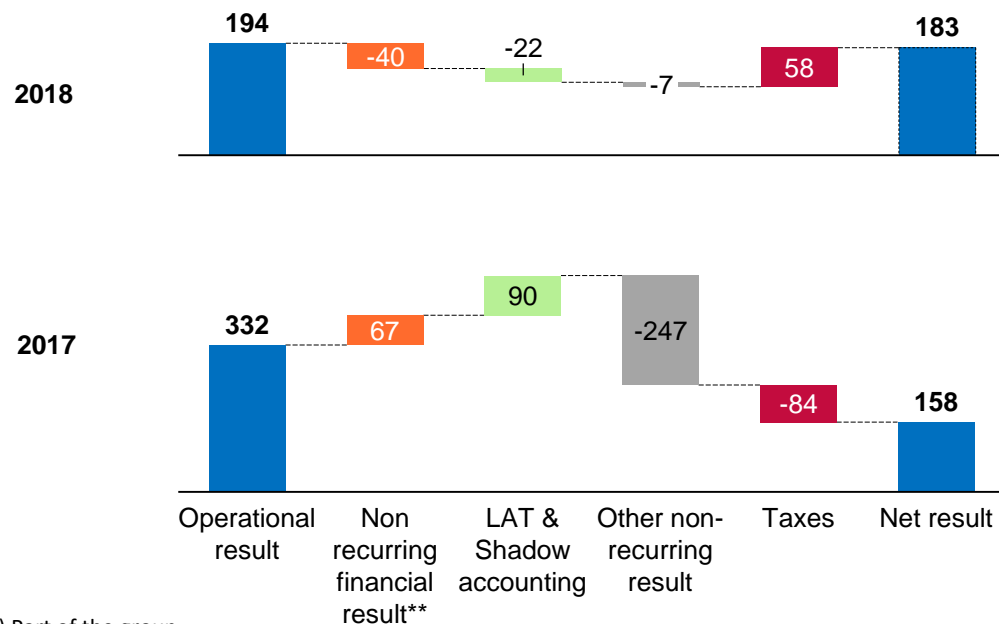
- **Strong increase** of life premiums in 2018 : **+17.7%**
- Evolution driven by the public sector (first pillar), due to delayed contributions and higher single premiums

# EVOLUTION IN OPERATIONAL RESULT (\*)

## Evolution in operational result under IFRS (M€)



## From the operational result to group result under IFRS (M€)



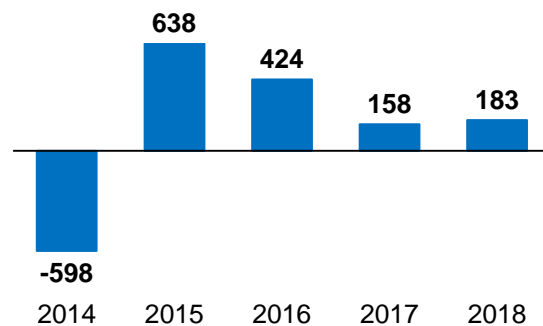
(\*) Part of the group

(\*\*) In 2018, non recurring financial result include fair value through P&L for the part not compensated by shadow accounting (32M€)

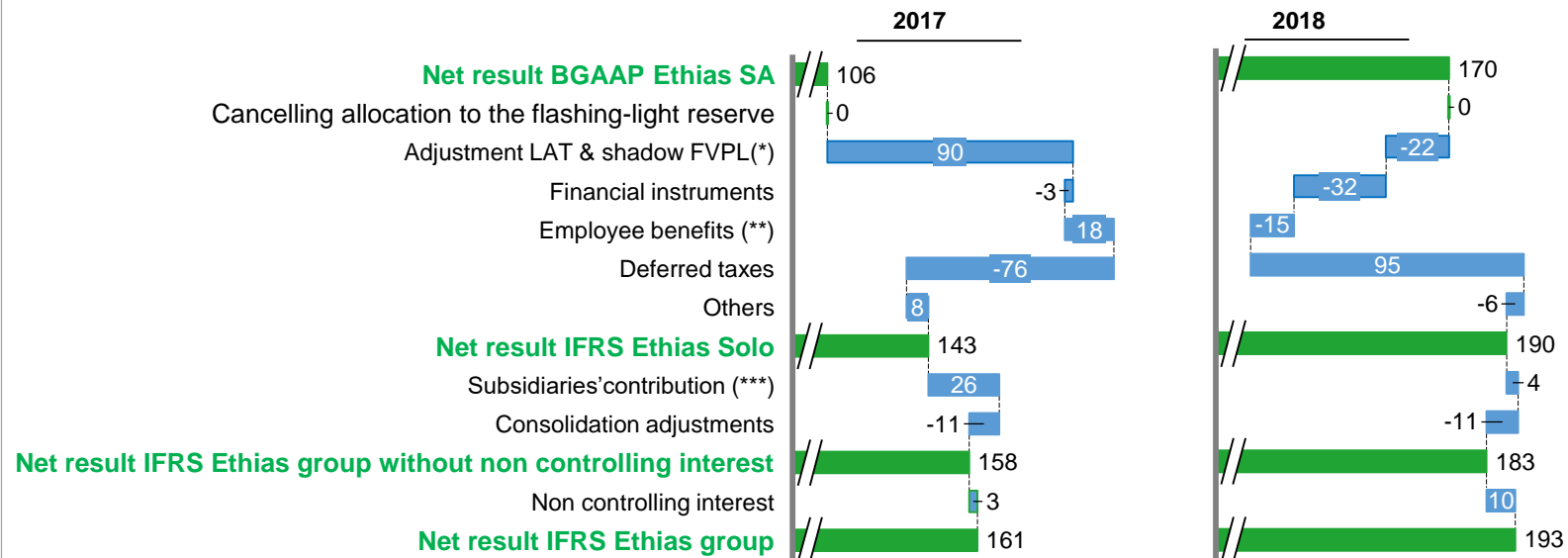
- The **operational result** amounts to **194 M€** in 2018
  - The main contribution still comes from the **Non-Life** activity for **167 M€**
  - while the **Life** activity accounts for **38 M€**.
- The operational result decreases in 2018, but **the level of the operational result in 2017 was exceptional** ; it was boosted by low claims in non life as well as a release on previous years' reserve.
- The **evolution of the operational result in non life (from 264 M€ to 167 M€)** is further explained by the following factors :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of climate events for €14M (not significant in 2017)
  - Lower reserve release on prior years
 An action plan has been put in place to improve the Non-Life operational result.
- The **life operational result** decreased (**from 79 M€ to 38 M€**) due to :
  - The continuous pressure due to the low interest rate environment.
  - Higher claims in illness and invalidity
  - A lower life margin consecutive to transfers from branch 21 to branch 23
- **Operating costs are under control** despite large IT investments (digitalization and new Non-Life platform still ongoing).
- The **tax income** is due to the recognition of recoverable tax losses.
- The **group result increases** from 158 M€ to **183 M€ in 2018**.

# EVOLUTION OF NET RESULT

Evolution in group result under IFRS (M€)



Reconciliation of net result between BGAAP & IFRS (M€)



Breakdown of net result under IFRS, without minority interests (M€)

|                      | 2014  | 2015 | 2016 | 2017  | 2018 |
|----------------------|-------|------|------|-------|------|
| Technical result     | (439) | 630  | 340  | 400   | 146  |
| o/w Non-Life         | 242   | 306  | 278  | 299   | 143  |
| o/w Life             | (681) | 324  | 62   | 101   | 3    |
| Non-technical result | (332) | 90   | 182  | (158) | (21) |
| Tax                  | 167   | (87) | (98) | (84)  | 58   |
| Net result           | (604) | 633  | 424  | 158   | 183  |
| For reference :      |       |      |      |       |      |
| Net result BGAAP     | (135) | 50   | 80   | 106   | 170  |

(\*) impact of the refined LAT methodology as from EoY 2017

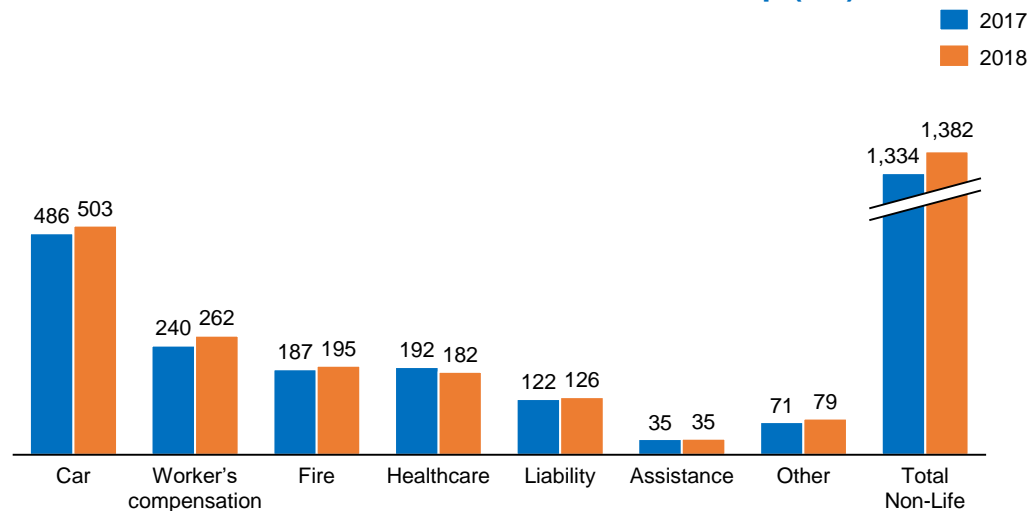
(\*\*) Namely includes the provision for the 60+ retirement plan (different valuation rules between BGAAP & IFRS)

(\*\*\*) Mainly NRB, Ethias Sustainable Investment Fund and Real estate subsidiaries



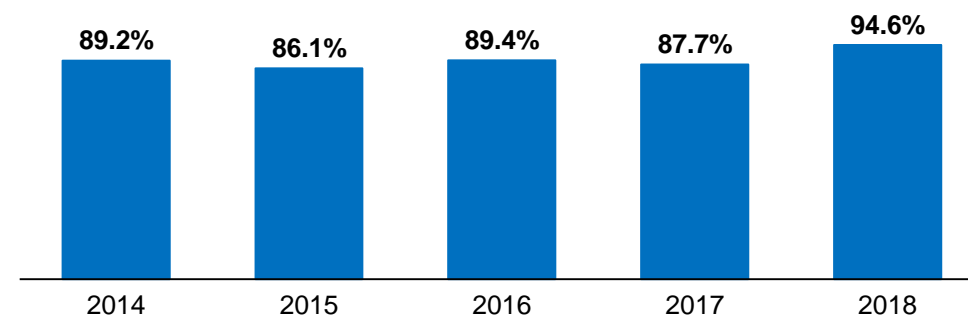
# FOCUS ON NON-LIFE BUSINESS

Evolution in Non-Life GWP of Ethias Group (M€)



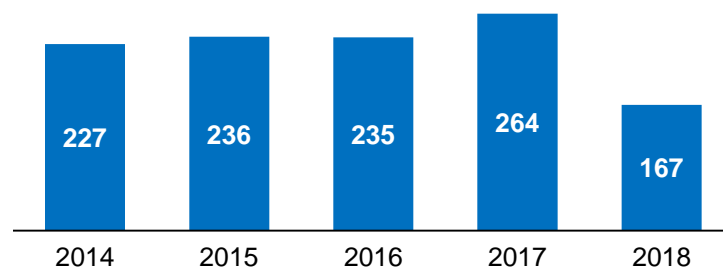
- **Increase** of non-Life premiums **by 3.6%** in 2018
- The drivers of the growth are explained p.14.

Net combined ratio (IFRS)

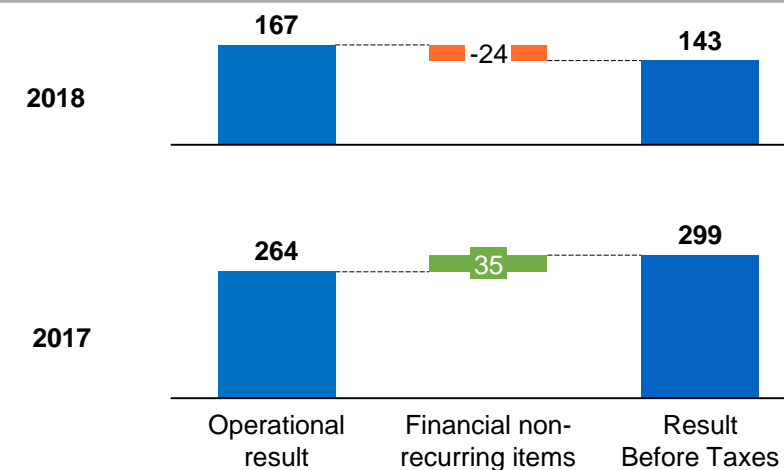


- The evolution of the combined ratio is driven by the same factors as the operational result.

Non-Life operational result IFRS (M€)

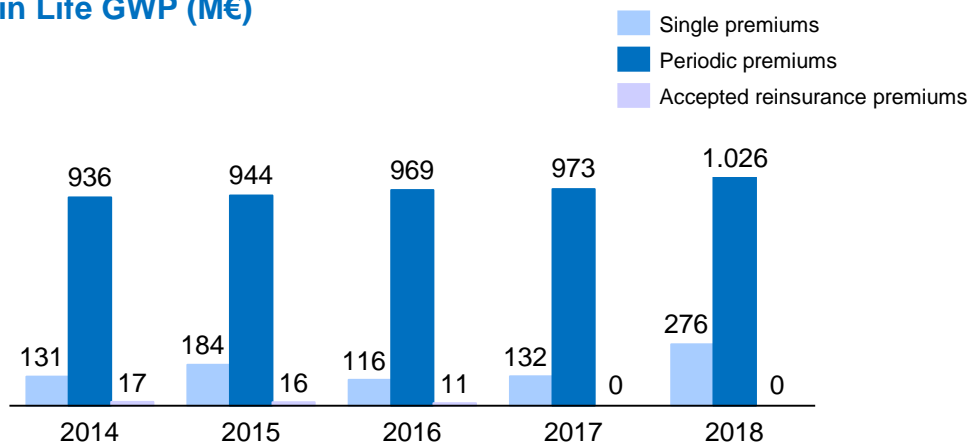


- The **evolution of the operational result in non life** is explained by the following factors :
  - A deterioration in the claims charge of Car and Worker's Compensation
  - The impact of climate events
  - Lower reserve release on prior years

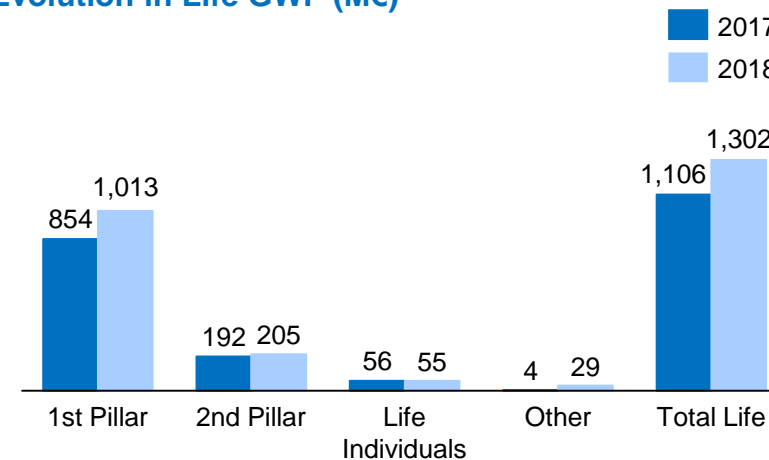


# FOCUS ON LIFE BUSINESS

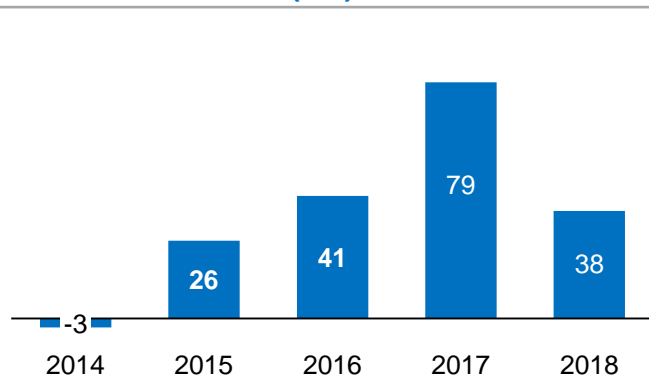
## Evolution in Life GWP (M€)



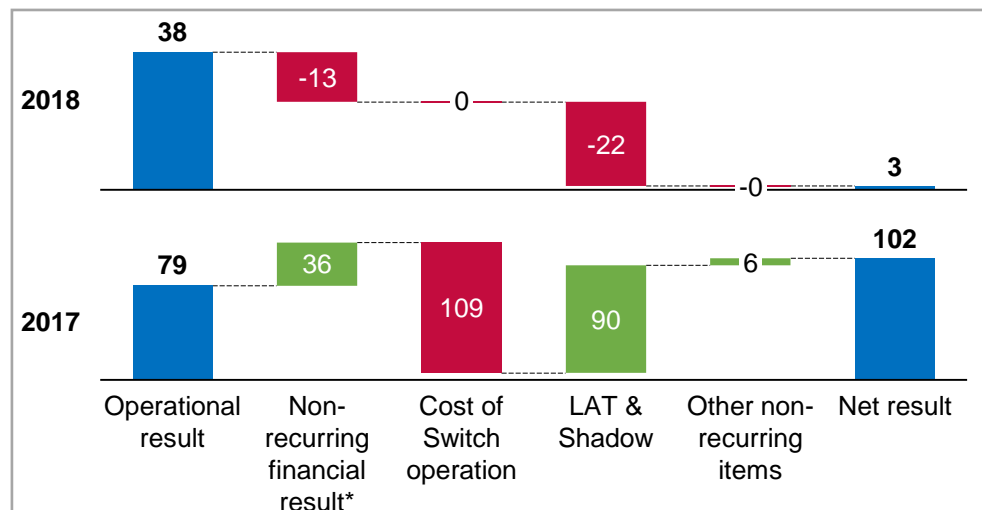
## Evolution in Life GWP (M€)



## Life operational result IFRS (M€)

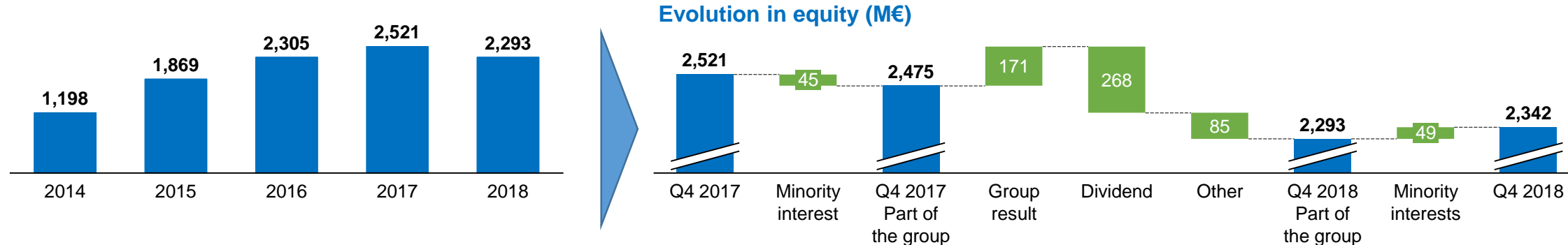


- The **life operational result** decrease is related to :
- The continuous pressure due to the low interest rate environment
  - Higher claims in illness and disability
  - A lower life margin consecutive to transfers from branch 21 to branch 23



(\*) In 2018, non recurring financial result include fair value through P&L for the part not compensated by shadow accounting (32M€)

## OTHER KEY ELEMENTS



The decrease in equity (part of the group) in 2018 is mainly explained by the combination of the following elements:

- the dividend payments : -268 M€
- the result 2018 : +171 M€
- the change in other equity items (-85 M€) mainly due to the evolution of financial market conditions (spread widening on bonds partially compensated by swap rate decrease).

### Duration gap\*

|                | 31-12-2017 (updated) |                   |                 | 31-12-18           |                   |                 |
|----------------|----------------------|-------------------|-----------------|--------------------|-------------------|-----------------|
|                | Assets<br>Duration   | Liab.<br>Duration | Duration<br>gap | Assets<br>Duration | Liab.<br>Duration | Duration<br>gap |
| Total Life     | 6.81                 | 7.96              | 0.36            | 6.91               | 9.04              | (0.35)          |
| Total Non-Life | 4.99                 | 7.55              | (0.58)          | 4.93               | 7.86              | (1.25)          |
| TOTAL          |                      |                   | 0.10            |                    |                   | (0.63)          |

- The **sensitivity** of own funds **to a change in interest rates** is now **under control** and does not present a major risk anymore.
- The actions taken in the last couple of years led to close the life's duration gap.
- The remaining non life duration gap is linked to the long liabilities in workers' compensation.

(\*) Compared to the figures presented last year, the scope of the duration gap includes now the segregated funds (1<sup>st</sup> and 2<sup>nd</sup> pillar) and it takes also into account some methodological improvements. As from end 2018, financial communications will be based on the full scope.

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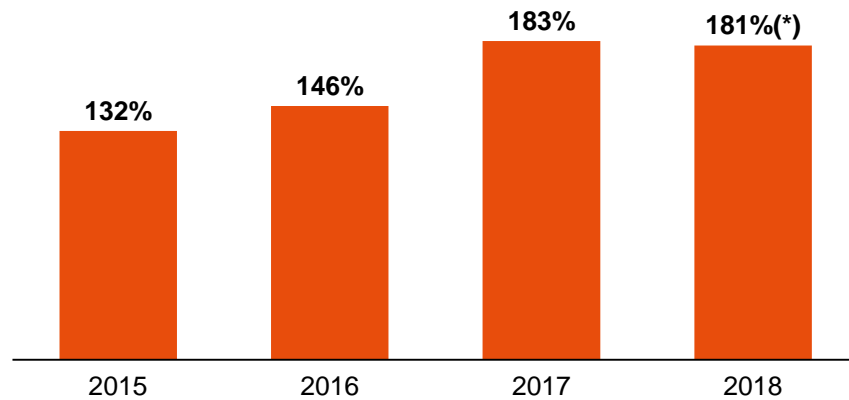
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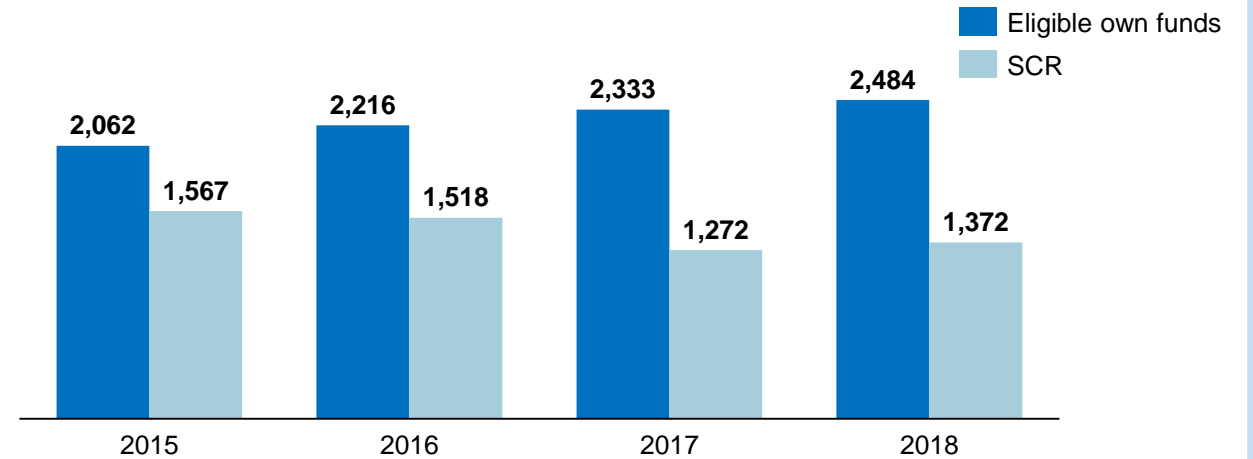


# SOLVENCY II – WITH USE OF THE STANDARD FORMULA – AFTER DIVIDENDS (1/2)

Evolution of solvency ratio



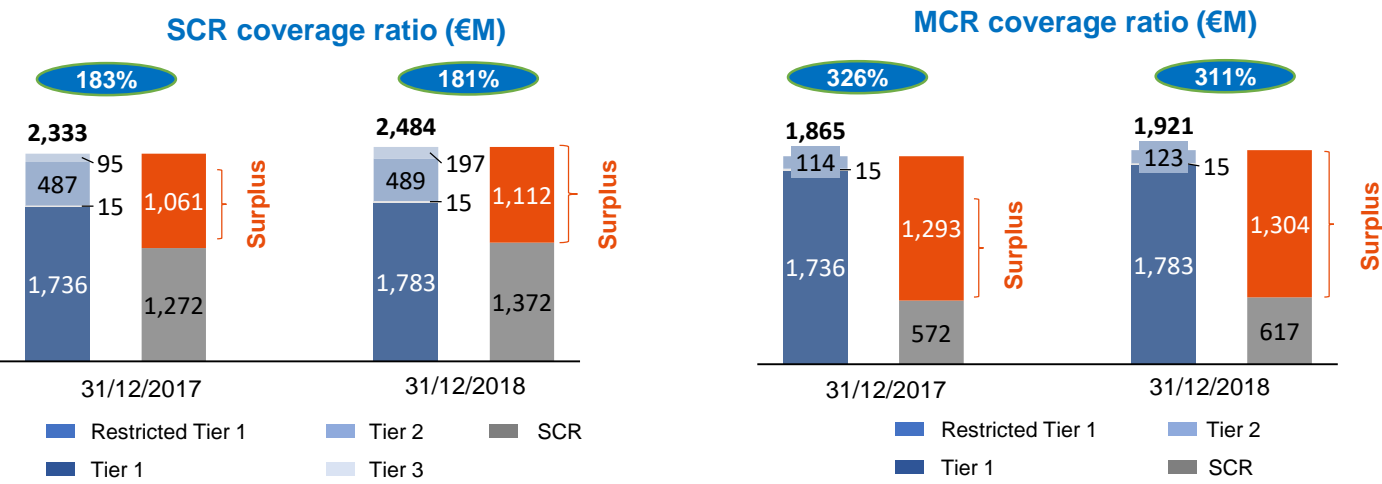
Breakdown of eligible own funds and SCR (in M€)



- The solvency ratio at end 2017 and at end 2018 were both impacted by the 268 M€ dividends that enabled Vitrufin to reimburse its senior loan in January 2019.
- **The solvency level decreased slightly in 2018** due to the combination of different factors:
  - **Assets' market values suffered** from the crisis on the stock market in Q4 and from the increase in credit spreads, mitigated by the swap rate decrease
  - This resulted in a **decrease in the Best Estimate of profit sharing** in Life technical provisions and in a **lower market SCR**
  - Technical provisions in Non Life have increased mainly driven by increasing claims charge
  - **DTA increased** (recognition of recoverable tax losses).
- The solvency position remains well above the risk appetite tolerance limit (160%).

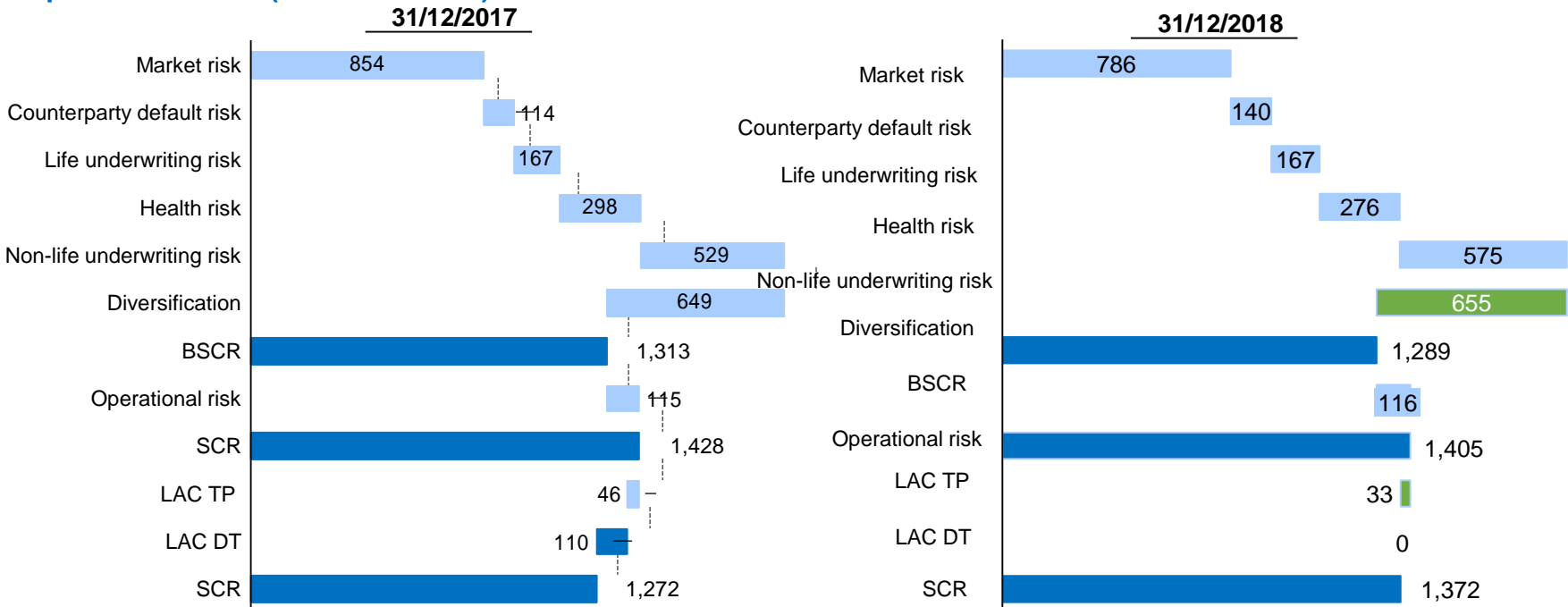
(\*) Solvency 2 figures presented at end 2018 are based on the quarterly reporting. The annual figures will be presented in the SFCR report.

Decomposition of eligible own funds (after dividends)



- **Very high quality capital structure:** unrestricted Tier 1 SCR coverage > 100% as of Q4 2018
- **Tier 1 restricted** (15 M€) corresponds to the portion of the perpetual loan issued in 2005 not having participated in the exchange operation of November 2015
- **Tier 2** includes, on the one hand, the subordinated loan of 75 M€ issued in 2008 and maturing in July 2023 and, on the other hand, the subordinated loan of 402.7 M€ in nominal value issued in July and November 2015 and maturing in January 2026
- Restricted Tier 1 and a part of Tier 2 capital (75 M€ in book value) are grandfathered under Solvency II
- **Tier 3** consists of deferred tax assets
- As at 12/31/2018, not all available own funds are eligible
  - SCR coverage : the sum of Tier 2 and Tier 3 exceeds 50% of the SCR, inducing a cap in Tier 3 capital (€ 4,7M of available own funds are not eligible for SCR coverage)
  - MCR coverage : the eligibility limit is reached for Tier 2.

Decomposition of SCR (after dividends)



- Decrease in market risk related to the decrease in equities and bonds' market value
- Increase in counterparty risk due to the higher positions in cash and loans.
- Decrease in Health SCR thanks to lower CAT health SCR
- Increase in Non-Life underwriting risk due to the increase in Non-Life catastrophe SCR and to higher non life claims provisions
- The impact of diversification is higher due to the increase in the Counterparty default risk and the Non-Life Underwriting risk combined with the decrease of the Market Risk
- The LAC DT has vanished due to the increase of DTA

# AGENDA

- 2018 highlights
- Main events in 2018
- Financial performance BGAAP<sup>1</sup>
- Financial performance IFRS<sup>2</sup>
- Solvency II<sup>3</sup>
- **Investment portfolio<sup>2</sup>**
- Rating
- Appendix

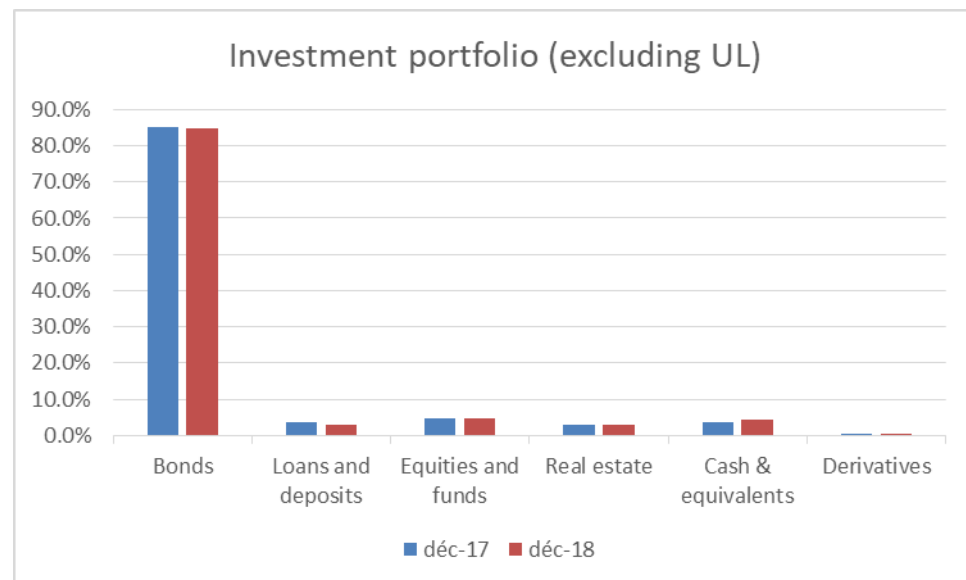
<sup>1</sup> Figures are based on audited Ethias SA statutory accounts. Figures at end 2018 are subject to approval by the shareholders meeting in May 2019.

<sup>2</sup> Figures at end 2018 are based on non audited IFRS consolidated financial statements of the Ethias group (defined as Ethias SA and its subsidiaries).

<sup>3</sup> Figures at end 2018 are based on the non audited Solvency 2 quarterly reporting of Ethias SA solo.

# INVESTMENT PORTFOLIO (IFRS)

## Investment portfolio by asset class (excluding unit-linked)



## Book value in IFRS (excluding unit-linked)

| Asset class (M€)   | déc-17        | déc-18        |
|--------------------|---------------|---------------|
| Bonds              | 14,476        | 13,559        |
| Loans and deposits | 594           | 482           |
| Equities and funds | 808           | 752           |
| Real estate        | 488           | 465           |
| Cash & equivalents | 640           | 690           |
| Derivatives        | 7             | 52            |
| <b>TOTAL</b>       | <b>17,014</b> | <b>16,000</b> |



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# RATING OVERVIEW



|                                 |                 |                |
|---------------------------------|-----------------|----------------|
| Insurer Financial Strength      | <b>A-</b>       | Outlook stable |
| Long-Term Issuer Default Rating | <b>BBB+</b>     | Outlook stable |
| Subordinated Debt Rating        | <b>BBB-</b>     |                |
| Last update                     | 22 January 2019 |                |

## Selected extracts from Fitch press release 22 January 2019

“**The upgrade follows** the **full repayment of Vitrufin's** (Ethias's parent) **debt** on 16 January 2019 and the **full disposal of Ethias's capital-intensive individual life portfolio** in September 2018.”

“In Fitch's view, these two achievements mark the completion of a multi-year action plan that has resulted in a **strengthening in capitalisation, financial flexibility and asset and liability management (ALM) risk**.”

“The ratings reflect Ethias's **strong capital position** and strong business profile in Belgium. These strengths are counterbalanced by **moderate profitability**.”

“Ethias reported a Solvency II capital ratio of 181% at end-September 2018, excluding transitional arrangements, slightly down from 183% at end-2017.”

“Ethias had a '**Very Strong**' score under **Fitch's Prism Factor-Based Capital Model** (Prism FBM) at end-2017, after deduction of the EUR268 million dividends. The agency estimates that Ethias will have maintained its 'Very Strong' score at-end 2018.”

“Fitch regards Ethias's **profitability** as **good**, driven by the non-life business.”

“Fitch expects earnings in 2018 to be less affected by non-recurring items and be more reflective of consistent technical results.”

“Fitch views Ethias's **investment policy** as **prudent**. The overall risk profile of the investment portfolio remains a **rating strength**.”

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# Consolidated balance sheet (IFRS)

| ETHIAS SA CONSO - Balance Sheet                          |                   | In thousands of € |                 |
|--|-------------------|-------------------|-----------------|
|  | 12/2017           | 12/2018           | Variations      |
| <b>Assets</b>  |                   |                   |                 |
| <b>Assets</b>  | <b>318.064</b>    | <b>310.420</b>    | <b>-7.644</b>   |
| Intangible assets  | 173.014           | 179.487           | 6.473           |
| Tangible assets  | 145.050           | 130.933           | -14.117         |
| <b>Financial assets</b>                                  | <b>17.184.764</b> | <b>16.483.646</b> | <b>-701.118</b> |
| Investment properties                                    | 487.806           | 464.639           | -23.167         |
| Financial assets   | 15.886.409        | 14.845.785        | -1.040.624      |
| Investments belonging to unit-linked insurance contracts | 810.550           | 1.173.222         | 362.672         |
| <b>Other Assets</b>                                      | <b>1.252.598</b>  | <b>1.467.789</b>  | <b>215.191</b>  |
| Reinsurance assets                                       | 131.971           | 142.604           | 10.634          |
| Deferred taxes   | 346               | 99.229            | 98.884          |
| Trade and other receivables                              | 455.420           | 503.879           | 48.459          |
| Cash and Cash equivalent                                 | 640.484           | 690.037           | 49.553          |
| Other assets   | 24.377            | 32.039            | 7.662           |
| <b>TOTAL assets</b>                                      | <b>18.755.425</b> | <b>18.261.854</b> | <b>-493.571</b> |
| <b>Liabilities</b>                                       |                   |                   |                 |
| <b>Equity</b>  | <b>2.520.567</b>  | <b>2.342.306</b>  | <b>-178.261</b> |
| Share capital  | 1.000.000         | 1.000.000         | 0               |
| Reserves and retained earnings                           | 1.093.762         | 996.951           | -96.810         |
| Other items of comprehensive income                      | 381.315           | 295.848           | -85.467         |
| Non-controlling interests                                | 45.490            | 49.507            | 4.017           |
| <b>Liabilities</b>                                       | <b>16.234.858</b> | <b>15.919.548</b> | <b>-315.310</b> |
| Insurance non-life contract liability                    | 3.794.875         | 3.864.559         | 69.684          |
| Insurance life contract liability                        | 9.767.049         | 9.164.549         | -602.500        |
| Liabilities belonging to unit-linked insurance contracts | 810.550           | 1.173.222         | 362.672         |
| Profit sharing liabilities                               | 34.534            | 43.607            | 9.073           |
| Financial debts  | 881.413           | 783.260           | -98.153         |
| Employee benefits  | 285.896           | 296.789           | 10.894          |
| Provisions   | 150.291           | 45.628            | -104.663        |
| Trade and Other payables                                 | 267.181           | 281.879           | 14.698          |
| Deferred taxes   | 34.491            | 23.060            | -11.432         |
| Other liabilities  | 208.579           | 242.996           | 34.417          |
| <b>TOTAL liabilities</b>                                 | <b>18.755.425</b> | <b>18.261.854</b> | <b>-493.571</b> |

# Consolidated income statement (IFRS)

## ETHIAS SA CONSO - Results

|   |                  | In thousands of € |                 |
|---|------------------|-------------------|-----------------|
|   | 12/2017          | 12/2018           | Variations      |
| Gross premiums  | 2.439.530        | 2.684.033         | 244.503         |
| Premiums ceded to reinsurers                                    | -30.921          | -40.256           | -9.335          |
| Change in the provision for unearned premiums and current risks | -2.013           | 1.821             | 3.834           |
| Other income from insurance activities                          | 5.287            | 5.268             | -19             |
| Revenues from other activities                                  | 259.211          | 278.622           | 19.411          |
| <b>Revenues</b>   | <b>2.671.093</b> | <b>2.929.488</b>  | <b>258.395</b>  |
| Net revenues from investments                                   | 478.900          | 460.068           | -18.832         |
| Net realized gains or losses on investments                     | 84.769           | 49.981            | -34.788         |
| Change in fair value of investments through profit and loss     | 44.692           | -117.201          | -161.893        |
| <b>Net financial income</b>                                     | <b>608.361</b>   | <b>392.848</b>    | <b>-215.513</b> |
| <b>NET REVENUES</b>   | <b>3.279.454</b> | <b>3.322.336</b>  | <b>42.882</b>   |
| Insurance service expenses                                      | 2.273.571        | 2.538.313         | 264.742         |
| Net expenses or revenues ceded to reinsurers                    | -7.032           | -28.413           | -21.381         |
| Management costs  | 287.410          | 282.892           | -4.517          |
| Expenses for other activities                                   | 424.962          | 287.947           | -137.015        |
| <b>Operating expenses</b>                                       | <b>2.978.910</b> | <b>3.080.739</b>  | <b>101.829</b>  |
| Change in depreciation and amortization on investments (net)    | 9.700            | 22.705            | 13.005          |
| Other investment financial expenses                             | 15.404           | 54.557            | 39.153          |
| Finance costs   | 30.307           | 29.367            | -940            |
| <b>Financial expenses</b>                                       | <b>55.411</b>    | <b>106.629</b>    | <b>51.218</b>   |
| <b>NET EXPENSES</b>   | <b>3.034.321</b> | <b>3.187.368</b>  | <b>153.047</b>  |
| <b>NET PROFIT (LOSS) BEFORE TAX</b>                             | <b>245.133</b>   | <b>134.968</b>    | <b>-110.165</b> |
| Income taxes  | -84.391          | 58.230            | 142.621         |
| <b>NET PROFIT (LOSS) AFTER TAX</b>                              | <b>160.742</b>   | <b>193.198</b>    | <b>32.456</b>   |
| Share of the associates in the result                           | -26              | 129               | 154             |
| <b>Net consolidated income</b>                                  | <b>160.716</b>   | <b>193.327</b>    | <b>32.610</b>   |
| Group's share   | 158.054          | 183.321           | 25.267          |
| Non-controlling interests                                       | 2.662            | 10.006            | 7.344           |



# Disclaimer

These assessments are, as always, subject to the disclaimer provided below.

Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Future actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, (ii) performance of financial markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) interest rate levels, (vii) currency exchange rates, (viii) increasing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the Economic and Monetary Union, (x) changes in the policies of central banks and/or foreign governments and (xi) general competitive factors,

**No duty to update**

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